

Chapter 6: Stakeholder Engagement

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6 Stakeholder Engagement

6.1 Introduction

This chapter describes the South Stream Transport approach to stakeholder engagement, its purpose and the regulatory context in which it occurs. It provides information about engagement activities undertaken to date for the ESIA and those that are planned for the future. This chapter also summarises the comments that have been made by stakeholders to date and how these comments are addressed within the relevant chapters of this ESIA Report.

In this chapter, the Environmental Impact Assessment (EIA) engagement process will also be referred to as this sets important context at the Russian national level and in doing this, shows how South Stream Transport has not only complied with national legislation, but also with Good International Industry Practice (GIIP). Although the national EIA and the ESIA process have been run separately in parallel, engagement activities for both processes are described in this chapter, as South Stream Transport will consider comments from stakeholders from both processes while completing the ESIA process.

This chapter is structured as follows:

- **Section 6.2** describes the national and international framework upon which the stakeholder engagement programme has been developed;
- **Section 6.3** describes the foundation of the stakeholder engagement programme, as well as the supporting documents and processes;
- **Section 6.4** outlines the stakeholder engagement activities for each phase of the Project lifecycle; and
- **Section 6.5** summarises comments, questions and recommendations received to date.

Stakeholder engagement (including dialogue, consultation and the disclosure of information) is a key element of project planning, development and implementation. Effective stakeholder engagement assists good design, builds relationships with local communities, and reduces the potential for delays through the early identification of risks and issues. South Stream Transport is committed to a transparent and respectful dialogue with stakeholders throughout the life of the Project.

The engagement approach for the Project includes a range of activities designed to consult stakeholders, using methods which take into account the varied interests that stakeholders may have in the Project as well as their location, language, culture, their access to information and the different opportunities to participate (e.g. through statutory consultation processes as well as through the ESIA process). The Project's approach to stakeholder engagement includes making best efforts to ensure stakeholders are provided with adequate, timely and culturally appropriate information about the Project, the ESIA and consultation process. It also provides opportunities for stakeholders to ask questions, make comments and suggestions and raise any concerns that they may have. The Project's approach to stakeholder engagement has been developed to align with the national legislative requirements and international standards

applicable to the Project, which are summarised in **Chapter 2 Policy, Regulatory and Administrative Framework** and described in further detail in Section 6.2.

Stakeholder engagement is an important element of the ESIA process in that it enables the ESIA Report to be informed by the interests and concerns of stakeholders, and provides opportunities for stakeholders to have those interests and concerns considered in decisions that may affect them. Effective engagement also helps to establish a relationship between stakeholders and the Project Proponent, South Stream Transport, which is based on trust and respect.

South Stream Transport has taken these principles into account in the planning and implementation of stakeholder engagement activities for the Project (Section 6.3).

Terms to Know

<i>Consultation</i>	The process of sharing information, ideas and concerns in a two-way dialogue between project proponents and stakeholders, allowing stakeholders to express their views and for these to be considered in the decisions about project planning and implementation.
<i>Disclosure</i>	The process of making information available to stakeholders. Includes the publication of reports or documentation (in digital and/or paper formats), and announcements related to the disclosure process.
<i>Grievance</i>	Formal complaint by individuals, groups or organisations who feel they have been adversely affected by Project-related activities.
<i>Grievance Procedure</i>	Process of recording and addressing grievances so that they can be tracked through to a resolution.
<i>Mitigation</i>	Measures developed through the ESIA process to prevent, avoid, reduce or offset adverse impacts. Can also include measures to enhance beneficial impacts.
<i>Stakeholder</i>	Any individual, group or organisation potentially affected by a project, interested in, or with influence over, a project.
<i>Stakeholder Engagement Plan</i>	A Stakeholder Engagement Plan (SEP) forms part of the ESIA documentation and provides a plan and implementation strategy to guide stakeholder engagement throughout the Project lifecycle.

6.2 Regulatory Context

This section describes the regulatory framework that applies to the Project. The Project's approach to stakeholder engagement considers both regulatory requirements and principles of Good International Industry Practice (GIIP), and seeks to:

- Meet the legal requirements of the Russian Federation for public consultation and disclosure during the EIA process (described in Section 6.2.1);
- Align with international standards and guidelines for financing (and GIIP), as related to ESIA, that provide a framework for public consultation and disclosure during the ESIA process (described in Section 6.2.2); and
- Align with international conventions and protocols relevant to stakeholder engagement for the Project (described in Section 6.2.3).

The national EIA and international ESIA processes are illustrated in Figure 6.1. Consultation and disclosure requirements for the Russian EIA process have several features in common with stakeholder engagement processes for international ESIA. Both are based on the principle that those who may be affected by a project should be consulted.

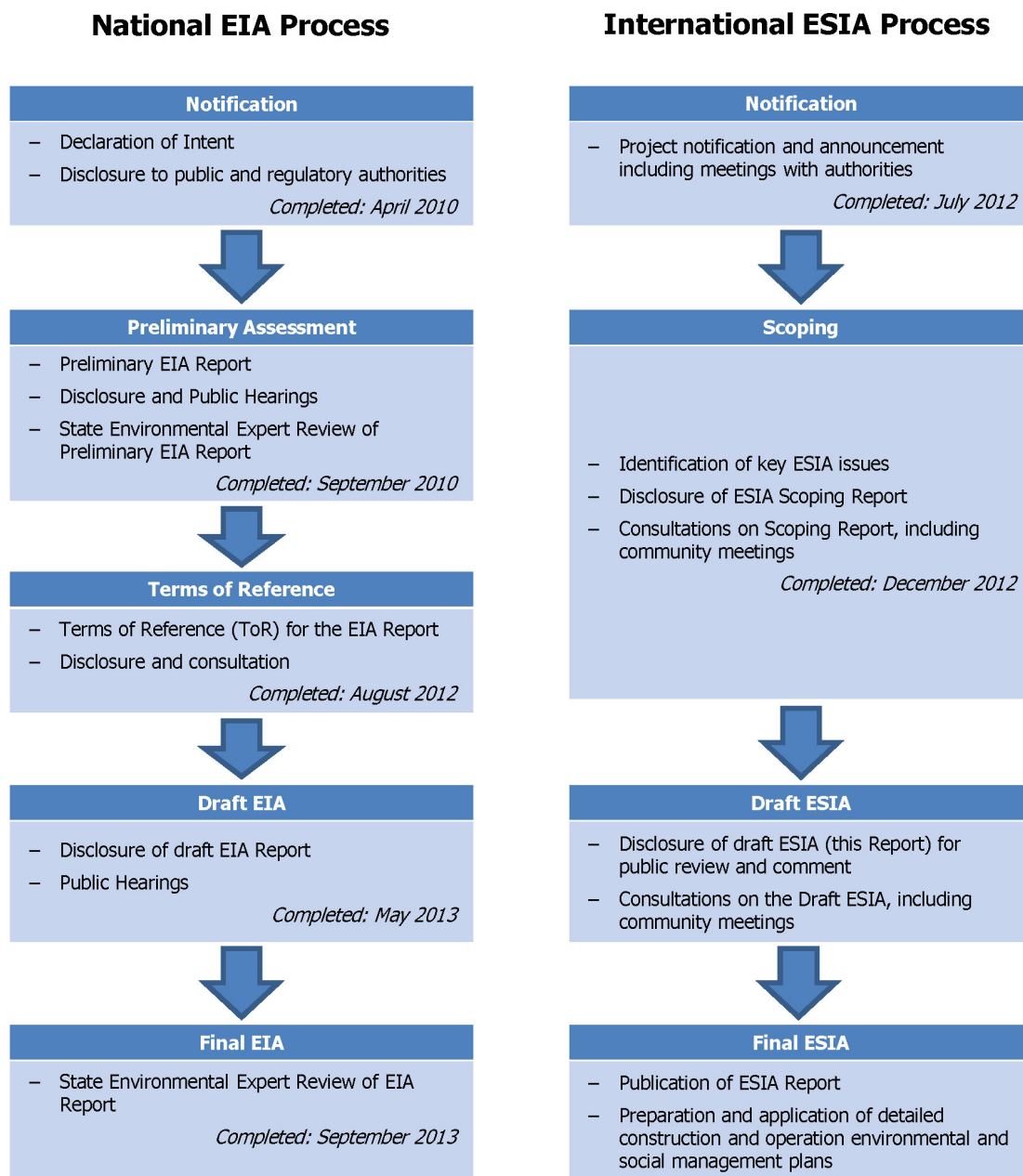
South Stream Transport seeks to align the two processes, avoid duplication and ensure that where possible and permissible, the processes inform each other. The regulatory framework is further summarised in **Chapter 2 Policy, Regulatory and Administrative Framework** and the aspects of it that relate to stakeholder consultation are described in further detail in Section 6.2.

6.2.1 National Requirements

Consultation and disclosure requirements for the Russian national EIA process are outlined in Russia's Federal laws and regulations. The relevant EIA regulation includes:

- Federal Law on Environmental Protection (2002, No.7-FZ);
- Regulation on Impact Assessment of Planned Economic or Other Activity on Environment in Russia Federation (adopted 2000, by Order No.372)¹; and
- Federal Law on Environmental Expert Assessment (1995, No.174-FZ).

¹ The requirements of Order No. 372 are often read in association with the City Planning Code (2004, No.190-FZ) and with Government Enhancement 'On the structure of design documentation sections and requirements to their contents' (2008, No. 87).

Figure 6.1 National EIA and International ESIA Processes

In Russia, there are no regional or local laws relating to EIA procedure. Russian Federation law requires that an EIA be prepared as part of a package of technical and other information known as the "Proekt", or project design. The project proponent then submits the Proekt to authorities for their review and approval. Public consultation is a mandatory part of the EIA process and involves the following main elements:

- **Terms of Reference (ToR) for the EIA** – preparation of the Terms of Reference for the Russian EIA, which is then disclosed for public review and comment (minimum 30 days);
- **Draft EIA** – publication of the draft EIA Report for public review and comment. The draft EIA Report is also the subject of one or more Public Hearings, at least 30 days after the initial publication of the report;
- **Public Hearings** – information about the proposed project and draft EIA is presented to the public. Legislation also states the draft EIA should be available for comments for at least 30 days after completion of Public Hearings; and
- **Final EIA** – the minutes of the Public Hearing are incorporated into the Proekt documentation for State Review, along with all comments, submissions and feedback on the draft EIA considered during finalisation of the EIA.

6.2.2 Standards and Guidelines for Financing

In addition to the EIA requirements described above and in line with international standards and guidelines for financing, the Project is being developed in accordance with financing requirements and GIIP. In relation to ESIA and more specifically, stakeholder engagement, the applicable standards are:

- The Organisation for Economic Cooperation and Development's (OECD) Common Approaches to Environmental and Social Due Diligence (Ref. 6.1);
- The Equator Principles III (Ref 6.2; Ref 6.3);
- Japan Bank for International Cooperation (Ref 6.4); and
- The International Finance Corporation (IFC) Performance Standards (PS) (Ref 6.5).

All the standards and guidelines listed above require compliance with applicable national legislation, including laws implementing national obligations under international law.

Details of these international standards and guidelines as they apply to stakeholder engagement are provided below in sections 6.2.2.1 to 6.2.2.4.

6.2.2.1 OECD Common Approaches

As detailed in Chapter 2, the Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (the 'Common Approaches') of the OECD (Ref. 6.1) provide guidance for considering environmental and social risks in decisions to offer official support for export credits.

In relation to stakeholder engagement, the Common Approaches recommend that:

- ESIA reports and related information should be made available to affected communities in language accessible to them for at least 30 days; and
- OECD member countries should encourage protection and respect for human rights and foster transparency, predictability and responsibility in decision-making by encouraging disclosure of ESIA information.

6.2.2.2 Equator Principles III

The second generation of the Equator Principles (EPII) provided guidance for stakeholder engagement in Principle 5: Stakeholder Engagement. For certain projects², the latest update to the Equator Principles (EPIII) provide further requirements for structured and culturally appropriate consultation undertaken with stakeholders (including affected communities; Ref. 6.2 and 6.3). By complying with the EPIII, a Project can ensure the informed participation of its stakeholders and be able to demonstrate how the concerns of affected communities have been considered in project decision-making.

The EP III states that a grievance mechanism should be developed to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance. The Project must inform the affected communities about the mechanism during the stakeholder engagement process.

6.2.2.3 Japan Bank for International Cooperation

The focus of the Japan Bank for International Cooperation (JBIC) (Ref. 6.4) Environmental and Social Considerations Required for Funded Projects (**Chapter 2 Policy, Regulatory and Administrative Framework**) is generally aligned with that of the IFC Performance Standards. The purpose, according to the guideline, is to demonstrate that project proponents are undertaking appropriate environmental and social considerations, through various measures, so as to prevent or minimize the impact on the environment and local communities which may be caused by the projects for which JBIC provides funding, and not to bring about unacceptable effects.

Specific to Stakeholder Engagement, and in line with IFC standards described below, JBIC requires that projects must be adequately coordinated so that they are accepted in a manner that is socially appropriate to the country and locality in which the project is planned. For projects with a potentially large environmental impact, sufficient consultations with stakeholders, such as local residents, must be conducted via disclosure of information from an early stage where alternative proposals for the project plans may be examined. The outcome of such consultations must be incorporated into the contents of the project plan; and appropriate consideration must be given to vulnerable social groups, such as women, children, the elderly, the poor, and ethnic minorities, all of whom are susceptible to environmental and social impact and who may have little access to the decision-making process within society.

6.2.2.4 IFC Performance Standards

The IFC Performance Standards apply to private sector projects seeking financing from international financial institutions (Ref. 6.5), and also underpin many other financing guidelines

² Category A and, as appropriate, Category B projects located in non-OECD countries, and those located in OECD countries not designated as High-Income, as defined by the World Bank Development Indicators Database. Category A projects are defined as those that have potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible or unprecedented. Category B projects are defined as having limited adverse risks. The Project is considered a Category A Project.

(including the Equator Principles and the OECD Common Approaches). IFC PS 1 – Assessment and Management of Environmental and Social Risks and Impacts – sets out guidance for stakeholder engagement as part of project development.

IFC PS 1 states that project sponsors should promote and provide means for adequate engagement with communities affected by a Project, on issues that could potentially affect them. It also states that relevant information about environmental and social issues should be disclosed and disseminated and that communications (including questions, comments, suggestions and grievances) from affected individuals, groups, communities and other stakeholders should be responded to and appropriately managed.

IFC PS 1 also calls for the development and implementation of an Environmental and Social Assessment and Management System (ESMS) and a Stakeholder Engagement Plan (SEP). It focuses on the need to tailor engagement according to the expected scale and type of impacts and to make it appropriate to communities that may be affected by a project, as well as other stakeholders. This includes allowing disadvantaged and vulnerable groups to participate effectively.

In relation to information disclosure, PS1 requires project proponents to provide affected communities with access to relevant and understandable information about the project and the ESIA process and to provide them with opportunities to express their views on project risks, impacts and mitigation measures, and for the project proponent to consider and respond to these.

The requirement for a Grievance Procedure is also detailed in IFC PS1. A Grievance Procedure should be designed to receive and facilitate resolution of community grievances arising from project activities. IFC PS 1 also calls for periodic reports to be made to affected communities about issues of concern, including those identified through the consultation process or Grievance Procedure.

6.2.3 International Conventions

6.2.3.1 Aarhus Convention

The Convention on Access to Information, to Public Participation in the Decision Making Process and the Administration of Justice concerning Environmental Matters (the Aarhus Convention, adopted in 1998, Ref. 6.6) also includes provisions that relate to stakeholder engagement. It establishes public rights of access to environmental information and aims to promote public participation in decision making about environmental matters. Of the three host countries of the South Stream Offshore Pipeline, Bulgaria is the only one that has ratified the Aarhus Convention.

6.2.3.2 Espoo Convention

The United Nations Convention on EIA in a Transboundary Context (Ref. 6.7), sets out the obligations of signatory countries to assess the environmental impact of certain activities at an early stage of planning and lays down their general obligation to notify and consult each other

on all major projects under consideration that are likely to have a significant adverse environmental impact across boundaries.

The Convention entered into force on 10 September 1997. Of the three host countries for the Project, only Bulgaria has ratified the Convention. Therefore, for the South Stream Offshore Pipeline, Bulgaria is the Party of Origin for any transboundary consultation process with neighbouring countries that may be required. Consultation related to Espoo is described in the ESIA report for the South Stream Offshore Pipeline – Bulgarian Sector.

6.3 Approach to Stakeholder Engagement

South Stream Transport's approach to stakeholder engagement is designed to comply with Russian legislation and to be aligned with the international standards and guidelines as described in Section 6.2. Accordingly, it provides a mechanism for stakeholders to be engaged during all phases of the Project. Within each phase of the Project, a range of engagement activities will be undertaken to address the needs of different stakeholders and stakeholder groups.

The main elements of the approach to stakeholder engagement are described in this section. Section 6.3.1 describes the Stakeholder Engagement Plan (SEP), which provides a framework for past, current, and future engagement activities. The SEP is the mechanism by which the principles and processes for stakeholder engagement, outlined in this Chapter, are implemented. Section 6.3.2 describes the process by which various stakeholders have been (and continue to be) identified. Section 6.3.3 discusses the ways in which stakeholders can provide feedback to South Stream Transport about the Project, and Section 6.3.4 presents the Stakeholder and Consultation Database (SCD), which is South Stream Transport's central mechanism for managing and coordinating feedback received throughout the stakeholder engagement process. Finally, Section 6.3.5 introduces the Grievance Procedure for the Project.

6.3.1 Stakeholder Engagement Plan

South Stream Transport's SEP for Russia provides a stakeholder engagement framework for all phases of the Project, including Construction and Pre-commissioning, Operation and Decommissioning. The SEP is a 'living' document and is progressively updated as the Project moves through the various phases of planning and implementation. Further updates will be issued around key Project milestones, such as the disclosure of the ESIA Report, and the start of construction activities.

The SEP describes the way in which South Stream Transport:

- Identifies stakeholders;
- Develops and maintains positive relationships with stakeholders;
- Provides culturally appropriate, adequate and timely information about the Project and the EIA/ESIA process to stakeholders;
- Provides suitable opportunities for stakeholders to express their opinions and concerns in relation to the EIA/ESIA and Project development;

- Enables compliance with Russian Federation regulations and alignment with international standards and guidelines for financing;
- Ensures that Project decisions consider stakeholder priorities, views and concerns and that these are reflected in the EIA/ESIA and Project management decisions where appropriate; and
- Will engage with stakeholders to establish and maintain dialogue.

The SEP provides an overview of the consultation and disclosure activities planned for the Project, including their purpose, timing, and the objectives of the activities. It provides information about consultation and disclosure activities that have already been conducted, as well as a roadmap for planned consultation and disclosure. It is regularly updated as the Project progresses and new information becomes available.

The SEP is published in English and Russian on the South Stream Transport website. The next update to the SEP will include more detailed information on the planned ESIA disclosure and consultation activities. The latest version of the SEP is always available on the South Stream Transport website at www.south-stream-offshore.com.

6.3.2 Stakeholder Identification

It is important to identify the Project's stakeholders and understand how they may be affected, or perceive that they may be affected, so that engagement can be tailored to inform and appropriately address their views and concerns.

Stakeholders with an interest in the Project have been identified in several ways. These include:

- Drawing on the local knowledge of in-country environmental and social consultants;
- Feedback from consultations with stakeholders held to date;
- Desktop research including reviews of previous ESIAs for relevant (by type or location) previous projects; and
- Scoping of anticipated impacts and receptors.

In addition, stakeholder engagement activities also help to identify and engage additional stakeholders and stakeholder groups.

When planning engagement activities, it can be helpful to group stakeholders based on common interests and characteristics. As such, South Stream Transport uses a number of "stakeholder categories" to help structure engagement activities for stakeholders of the Project. Stakeholder categories in the Russian Sector include:

- Landowners;
- Land users;
- Businesses and business associations;
- Fisheries and other marine area users;
- Government authorities (national, regional and local);

- Inter-governmental organisations;
- Community service and infrastructure organisations;
- Non-governmental organisations (NGOs);
- General public (including residents of Local Communities, and visitors to these communities);
- Academic and research organisations; and
- Media.

These stakeholder categories are described in Table 6.1 including a summary of the anticipated interests of these groups with respect to the Project (e.g. potential impacts, benefits, concerns) and how they have been engaged to date. Further detail on stakeholder engagement activities and stakeholder issues and concerns is provided in Section 6.4 and Section 6.5 below, while Appendix B of the SEP provides a full list of all identified stakeholders in Russia.

Table 6.1 Stakeholder Categories and Identification

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
<i>Landowners</i>		
The Project may require some temporary and/or permanent acquisition of land, which will require agreements with applicable landowners. Additionally, some landowners in the vicinity of the Project may be affected by Project activities, including changes to viewsapes or environmental conditions.	Fond Yug development company and Shingari and Don holiday complexes.	<p>South Stream Transport has engaged with landowners Fond Yug and Agrifirm Kavkaz during the ESIA process.</p> <p>Fond Yug and South Stream Transport have negotiated a land settlement in relation to temporary and permanent land take for the Project (see Chapter 14 Socio-Economics).</p> <p>The tourism stakeholders Shingari and Don holiday complexes were invited to participate in the Scoping meetings and a specific meeting to discuss the Project was subsequently held with Shingari Holiday Complex.</p>

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
<i>Land Users</i>		
The Project may require some temporary and/or permanent acquisition of land, and as such may affect access to these areas. People who work on or use areas affected by the Project land take may also be affected by access restrictions. Additionally, Project activities may result in changes to the amenity of certain areas, such as changes to viewscales or environmental conditions.	Recreational visitors to the Sukko and Shingari beaches, visitors to the Varvarovka Cemetery, Agrifirm Kavkaz vineyard workers and a horse-riding enterprise in Varvarovka.	<p>Engagement with visitors to the local beaches and to the Varvarovka Cemetery included the publication of Project documentation (including the EIA Terms of Reference, ESIA Scoping Report and Draft EIA Report) via the South Stream Transport website, announcements in newspapers and poster campaigns. A public comment period was announced and stakeholders were invited to submit comments to the Project using comment boxes, installed in Local Communities or at public meetings.</p> <p>Specific engagement has also been undertaken with Agrifirm Kavkaz (a subsidiary of Fond Yug) to understand any potential impacts Project land take may have on vineyard workers.</p> <p>Meetings have been held with the horse-riding enterprise in Varvarovka to confirm horse-riding routes in relation to the proposed Project land take.</p>
<i>General Public (including residents of, and visitors to, the Local Communities)</i>		
Local Communities may be affected by impacts related to traffic, noise, and environmental changes. They may also be able to benefit through employment and business opportunities.	Residents of Local Communities (Gai Kodzor, Sukko, Supsekh, Varvarovka, Rassvet) and tourists.	The general public has been engaged through a variety of public disclosure and consultation measures. This has included the publication of Project documentation (including the EIA Terms of Reference, ESIA Scoping Report and Draft EIA Report) via the South Stream Transport website, announcements in newspapers and poster campaigns. A public comment period was announced and stakeholders were invited to submit comments to the Project using comment boxes, installed in Local Communities or at public meetings.

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
<i>Business and Business Associations</i>		
Local businesses may benefit from procurement opportunities related to the provision of goods and services to the Project. Conversely, other businesses may be concerned about potential impacts on business revenues, particularly in relation to the tourism sector.	Tourism businesses, construction-related businesses and related support services (e.g. catering, security, accommodation, environmental management) in Anapa Resort Town Municipal District. Ports and related services in Novorossiysk and Temryuk.	A number of local businesses were identified during the Scoping Stage. These businesses were notified of the publication of the Scoping Report and were provided with a copy of the report and were invited to the Scoping Phase public consultations. A number of one-to-one meetings were held with local businesses to gather information and data and respond to queries.
<i>Marine Area Users</i>		
Fishers and fisheries organisations (including fishing businesses) may be interested in potential Project impacts on fishing activities and livelihoods, including access to fishing areas and changes in fish health, migration, and catch volumes. They may also be concerned about unplanned events (e.g. fuel spills) and how these events could affect fishing activities.	Fisheries in Anapa Resort Town Municipal District, including fishery businesses and cooperatives, and the government research institutes of Azov Black Sea (AzNIIRKH) and of Fisheries and Oceanography (VNIRO-Krasnodar branch).	Fishing organisations were notified of the publication of the Scoping Report (and were provided with a copy of the report) and invited to a roundtable meeting for marine area users and local businesses. Specific meetings were held with local fishing businesses during the EIA process to gather baseline information for the Fishing Study (see Appendix 14.1 Fishing Study) and to understand the concerns of fishers in relation to the Project.

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
Businesses, clubs or other groups that use the sea for recreation may be interested in their continued access to these activities, as well as any environmental changes that may arise from the Project.	Local diving clubs and businesses, and recreational marine users.	Diving and recreational boat clubs were notified of the publication of the Scoping Report and invited (by letter and phone) to a roundtable meeting for marine area users and local businesses.
Shipping, telecommunications and offshore oil-and-gas exploration companies also have an interest in accessing and using the marine area, although potential impacts on these companies were considered but have been ruled out (as described in Chapter 14 Socio-Economics).	Oil and gas exploration companies, including Rosneft, Exxon Mobil, and RN-Exploration. Shipping terminals/ports, including Temryuk Port and Novorossiysk Port.	Meetings and exchanges of information and data took place regarding the proposed Pipeline route and coordination of activities between the Project and oil and gas exploration and shipping/port companies.
<i>Government Authorities</i>		
National authorities have specific interests in topic areas such as cultural heritage, tourism, transport, shipping and navigation, fisheries, and gasification and community development.	Russian national government e.g. MoNRE, MoFA and various associated ministries and departments.	National government authorities have been informed and consulted as part of the ESIA process, although formal engagement with the authorities is undertaken through the national EIA process. Engagement with various government departments responsible for topics such as environment, culture, tourism, transportation, safety, fisheries, archaeology and natural resources has been on-going throughout the EIA, ESIA and permitting processes.

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
Local and regional authorities have a general interest in the potential impacts and benefits for their respective communities.	Regional government offices in Krasnodar Krai, rural district administrations of Supsekh and Gai Kodzor (which include the Local Communities) and local government offices in Anapa Resort Town Municipal District.	Local and regional authorities have been engaged throughout the course of the Project, as part of both the EIA and ESIA processes. Local authorities have also been interviewed as part of the socio-economic baseline data collection and to further discuss potential mitigation measures.
<i>Community Service and Infrastructure Organisations</i>		
Community service and infrastructure providers are interested in how the Project might impact on community services and infrastructure development plans. This may include direct impacts (e.g. on road infrastructure or water mains) or indirect impacts (e.g. increased strain on local services due to use by Project workforce)	Rassvet School, Russian Federal Road Agency, Anapa City Hospital, Krasnodar Regional Hospital, Outpatient clinics in Gai Kodzor and Varvarovka, medical and obstetric station in Rassvet.	Community service and infrastructure organisations were engaged through the “General Public” engagement measures**. A specific meeting was held with Rassvet School to gain a better understanding of traffic issues in the community. Meetings with local health facilities will be undertaken as part of the Rapid Health Appraisal (see Chapter 15 Community Health, Safety and Security).

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
<i>Non-Governmental Organisations (NGOs)</i>		
NGOs (including local, national and international NGOs, as well as other community-based organisations) may be interested in a diverse set of issues, ranging from protection of the Black Sea ecology, to archaeological assets, to potential impacts on tourism and other industries. NGOs are often interested in reviewing and commenting on EIA and ESIA documents, particularly in regard to the identification of environmental and social impacts and the ways that these impacts will be mitigated and managed.	<p>International environmental NGOs based in Moscow, including the World Wildlife Fund (WWF) and Greenpeace.</p> <p>Local and regional NGOs interested in environmental protection and ecosystems, such as Ekurs, Anapa is our Common Home, South Coalition Council of Opposition, and interested in the political situation and risks, such as KD Group Political Consulting.</p>	NGOs were engaged during the Scoping Stage with invitations to review and comment on the Scoping Report, and to participate in meetings. Meetings were held in both Moscow and Anapa with NGO representatives.
<i>Academic and Research Organisations</i>		
Academic and research organisations may be interested in data from the Project's numerous marine surveys, as well as the potential effects on the marine environment or ecology, marine cultural heritage and environmental protection.	Institute of Archaeology, Russian Academy of Sciences in Moscow, Centre for Russian Nature Conservation (CRNC), Utrish Nature Reserve and Terra Viva Ecological Movement.	Research institutes and university departments with a particular interest in issues such as archaeology, the environment and the Black Sea were engaged during the Scoping Stage. Following Scoping, these stakeholders have been engaged for socio-economic and cultural heritage baseline data collection and involved in Project planning and design, and mitigation measures.

Continued...

Interest in the Project	Stakeholders Identified	Summary of Engagement to Date
Media		
Journalists and other representatives of the media are often interested in ensuring that clear and transparent information about the Project is communicated to the population. Interested in general Project information including updates on the EIA and ESIA process.	Russia media at national, regional and local levels.	Engagement with the media has occurred through press releases and announcements during key disclosure events, such as the publication of EIA and ESIA documentation. Three media roundtable meetings were also held, in Moscow and Krasnodar in November 2012 for the Scoping Report, and in Krasnodar in May 2013 for the Draft EIA Report, to enable members of the press to ask specific questions regarding the Project.

The stakeholders listed in Table 6.1 are examples of the groups and types of stakeholders engaged. However, a full list of all stakeholders engaged with the Project to date can be found in Appendix B of the SEP.

** This applies to all stakeholders in Table 6.1.

Complete.

Local Communities

As detailed in Section 6.2.2 (Standards and Guidelines for Financing), international standards and guidelines state that appropriate consultation should be undertaken with affected communities.

For the purposes of this Report and the SEP, certain communities are referred to as 'Local Communities', which have been identified either because they are the closest communities to the Project Area or, in the case of Rassvet and the town of Anapa, because they have the potential to experience impacts associated with construction and accommodation of the Project workforce.

In the Russian Sector of the Project, the Local Communities have been identified as:

- Town of Anapa;
- Gai Kodzor;
- Rassvet;
- Sukko;
- Supsekh; and
- Varvarovka.

The town of Anapa is the largest Local Community and is also the nearest large urban settlement, approximately 10 km to the north of the landfall section of the Project. With the exception of Anapa, the surrounding area is largely rural and includes a number of small- to medium-sized communities near the landfall section of the Project. Of the remaining Local Communities, Varvarovka is the closest to the landfall section; it is located approximately 2 km northwest of the Project Area. All of the Local Communities are situated within the ART municipal district.

Further information on the Local Communities is in **Chapter 14 Socio-Economics**.

Vulnerable Groups

Stakeholder identification and engagement also seeks to identify any potentially vulnerable or disadvantaged individuals and groups in local communities. Vulnerable groups are those who may be differently or disproportionately affected by the Project, or whose situation may mean that special care is needed to engage them in consultation and disclosure activities (e.g. in terms of language, literacy, technology, etc.).

Using guidance provided in IFC PS 1 and in consultation with two social protection bodies in Supsekh and Gai Kodzor, and the Anapa Resort Town (ART) Municipal District administration, the following potentially disadvantaged or vulnerable groups have been identified in the Local Communities:

- Children;
- Elderly;

- Disabled or chronically ill;
- Low-income households (with incomes below the subsistence level);
- Migrants workers; and
- Commercial sex workers.

Where relevant, differential impacts on these groups have been considered in the relevant impact assessment chapters of this ESIA Report (e.g. **Chapter 9 Air Quality; Chapter 14 Socio-Economics; Chapter 15 Community Health, Safety and Security**).

South Stream Transport has considered the needs of all potentially interested stakeholders, including those for whom special care in consultation may be needed, throughout the stakeholder engagement process. Efforts have been made to disclose information in a variety of ways so as to be accessible to all groups, regardless of socio-economic or other status. For example, printed copies of reports have been provided in central community locations, in addition to on the internet; announcements have been made in local and national newspapers, and through posters in local shops, offices, bus stops, and other community locations; information has been hand-delivered to schools and pensioner groups; and open meetings have been held in the Local Communities. All documents have been provided in Russian.

6.3.3 Receiving Feedback from Stakeholders

South Stream Transport is committed to maintaining an open and respectful dialogue with all stakeholders, supported by the activities and principles of the SEP. Throughout the life of the Project, stakeholders have access to various means and opportunities to submit feedback to South Stream Transport. Feedback may include:

- Questions;
- Comments;
- Concerns;
- Requests;
- Complaints or grievances; and
- Suggestions and recommendations.

Stakeholder engagement activities comprise both 'active' and 'receptive' consultation. Active engagement includes meetings, public hearings and structured comment periods to support report disclosure where South Stream Transport is actively soliciting feedback about the Project. Complementary to these active periods of disclosure and consultation, South Stream Transport is always receptive to feedback, whereby stakeholders may contact the Project at any time (e.g. by email, post, telephone, or in person) to provide their views and ask questions. Feedback may be submitted by any individual or group (e.g. companies, organisations, societies, collectives), either verbally or in writing.

All input received from stakeholders is managed through the Stakeholder and Consultation Database (SCD; Section 6.3.4); through this platform, South Stream Transport centrally stores, analyses and manages comments from stakeholders. If a grievance is communicated to South

Stream Transport, through any means, the communication is documented in the SCD, and the Grievance Procedure (Section 6.3.5) is initiated.

6.3.4 Stakeholder and Consultation Database

South Stream Transport's Stakeholder and Consultation Database (SCD) has been developed to ensure that stakeholder communications are documented, feedback is recorded and resulting actions are tracked and addressed. The SCD also provides a history of engagement with a particular stakeholder, thus helping South Stream Transport build meaningful relationships with stakeholders by understanding their concerns and past involvement with the Project.

The SCD is used to record and analyse feedback received from stakeholders and, in turn, this analysis informs the development of Project design, the identification and management of impacts and the development of the Environmental and Social Management System (**Chapter 22 Environmental and Social Management**). Throughout the life of the Project, the SCD will be a valuable tool to coordinate information about stakeholders and stakeholder concerns in relation to the Project.

6.3.5 Grievance Procedure

A grievance is a complaint (i.e. an expression of dissatisfaction) stemming from an incident or impact (real or perceived) related to South Stream Transport's business activities. Complaints may stem from commonly occurring and relatively minor problems, or more serious one-off events, or entrenched or repeated problems that may lead to resentment, discontent or unrest.

A Grievance Procedure is the process by which a grievance is received, recorded and managed so that it can be tracked from its original submission through to a resolution. An effective Grievance Procedure is an important aspect of stakeholder engagement, and is a core component of the approach to stakeholder engagement outlined in the standards and guidelines for financing (Section 6.2). The process must be fair, accessible, transparent and properly documented.

The Grievance Procedure for the Project will guide the management of grievances throughout the Project lifecycle, from before the start of construction, throughout the operational life, and into decommissioning. The Grievance Procedure describes the process by which a grievance is documented, investigated, and resolved in coordination with the affected stakeholders.

It will be implemented by South Stream Transport in partnership with its contractors and will ensure that grievances are brought to the attention of the appropriate Project staff and addressed in an appropriate and timely way.

As the South Stream Offshore Pipeline is part of the overall South Stream Pipeline System it must also interface with the upstream and downstream components of the System. The HSSE Integrated Management System (HSSE-IMS) contains a dedicated Interface Procedure to manage the HSSE interface with Gazprom Invest (GPI) and South Stream Bulgaria AD (SSB). This includes coordination, cooperation and agreement on stakeholder engagement and the grievance procedure.

The Grievance Procedure interfaces with the SCD and the general receipt and management of feedback from stakeholders. All communications with stakeholders will be respectfully considered by South Stream Transport, and responses will be provided where appropriate. Where a potential grievance is identified, the Grievance Procedure will be implemented in addition to standard stakeholder engagement procedures, although the two processes will be closely integrated.

Further information regarding the implementation of the Grievance Procedure is provided in the SEP.

6.4 Stakeholder Engagement by Project Phase

Stakeholder engagement activities are an integral part of the Project lifecycle: from the initial notification when the Project is proposed, to the scoping of potential impacts, the EIA and ESIA studies, and throughout the Construction and Pre-commissioning, Operational and Decommissioning Phases of the Project.

The different phases of the Project each require stakeholder engagement that is tailored in terms of its objectives and intensity, as well as the forms of engagement used. In Russia, stakeholder engagement for the Project commenced in the Feasibility Phase (Phase 1) in 2010 with the official Project Notification and preliminary EIA. The Project is currently in the Development Phase, which includes the EIA and ESIA studies. Details of completed and planned engagement activities for the Project are provided in Figure 6.2.

Although the guidelines for stakeholder engagement under the EIA and ESIA processes differ the Project has aligned these processes where possible. As such, the activities for both processes are described in this section.

A discussion of stakeholder feedback obtained through these activities—including a short summary of the comments, suggestions and concerns raised by stakeholders to date, and how they have been addressed as part of the ESIA process—is provided in Section 6.5.

Figure 6.2 Stakeholder Engagement by Project Phase

PROJECT PHASE	ACTIVITIES	ENGAGEMENT OBJECTIVES
Feasibility	<u>Project Notification</u> <ul style="list-style-type: none"> • Submit the official Declaration of Intent for the Project <u>Preliminary EIA</u> <ul style="list-style-type: none"> • Prepare Preliminary EIA as part of feasibility studies • Disclosure of Preliminary EIA, public announcement and public meetings 	<ul style="list-style-type: none"> • Stakeholders, including regulatory authorities and the public, are aware of the proposed Project • Start to build and maintain relationships between South Stream Transport and stakeholder groups
Development	<u>Scoping Stage</u> <ul style="list-style-type: none"> • Ongoing stakeholder engagement to support the planning and development of the Project • EIA Terms of Reference <ul style="list-style-type: none"> – Disclosure of Terms of Reference (ToR) for the EIA Report for review and comment – Public announcement of ToR disclosure and comment period • ESIA Scoping Report <ul style="list-style-type: none"> – Disclosure of the Scoping Report for review and comment – Public announcement of Scoping Report disclosure and comment period – Meetings with stakeholders and public <u>EIA and ESIA</u> <ul style="list-style-type: none"> • Ongoing stakeholder engagement to support baseline studies, assessment of impacts, and mitigation and management strategies, and Project planning • EIA Report <ul style="list-style-type: none"> – Disclosure of the EIA Report for review and comment – Public announcement of EIA Report disclosure and comment period – Meetings with authorities – Public hearing • ESIA Report <ul style="list-style-type: none"> – Disclosure of ESIA Report for review and comment – Public announcement of ESIA Report disclosure and comment period – Meetings with stakeholders, including community meetings – Response to all comments received 	<ul style="list-style-type: none"> • Stakeholders are informed about the design and location of the project, and anticipated impacts • Stakeholders can comment on the scope and content of the EIA and ESIA, and provide input into studies • Stakeholders are informed about the Project and anticipated impacts • Stakeholders have input into baseline studies, identification of impacts, mitigation and management measures • Stakeholders' interests and concerns are considered and addressed in the EIA and ESIA, and decision-making processes • Stakeholders have an opportunity to review—and to question and comment on—the EIA and ESIA
Construction and Pre-Commissioning (approx. 4 years)	<u>Construction and Pre-Commissioning Activities</u> <ul style="list-style-type: none"> • Ongoing disclosure of information relating to Project development, including the timing and progress of construction activities • Implementation of a Grievance Procedure and communication to local stakeholders 	<ul style="list-style-type: none"> • Stakeholders are kept informed about the Project and receive advance notification about activities that may affect them • Stakeholders can submit questions, comments and grievances
Operational (approx. 50 years)	<u>Commissioning and Full Operational Activities</u> <ul style="list-style-type: none"> • Continue to update stakeholders, particularly any changes or non-routine activities • Continued implementation of the Grievance Procedure 	
Decommissioning	<u>Decommissioning Activities</u> <ul style="list-style-type: none"> • Inform stakeholders about planned decommissioning activities and schedule • Continued implementation of the Grievance Procedure 	

6.4.1 Phase 1: Feasibility Phase

With respect to stakeholder engagement, the Feasibility Phase included the official announcement and notification of the Project to the regulators and other stakeholders as part of the national EIA process. In April 2010, prior to establishment of South Stream Transport, Gazprom, the original proponent of the Project, submitted the Declaration of Intent for the Project to the Krasnodar Krai Administration.

Feasibility studies were undertaken, including the Preliminary EIA³ for the Project, which provided a description of the Project and an initial identification of potential impacts. Announcements were placed in national⁴, regional⁵ and local⁶ press inviting interested parties to participate in discussions on the Preliminary EIA.

Two public meetings were held – in Gelendzhik on 17 May 2010 and in Anapa on 18 May 2010 – as part of the consultation process. The Preliminary EIA was submitted for State Review, and approved⁷ on 24 September 2010. Further public discussions were held in January 2011 in Anapa and Gelendzhik to discuss the Terms of Reference (ToR) for the Environmental Impact Study (EIS) and proposed business and other activities in the Gelendzhik Resort Town Municipal District, which were subject to environmental evaluation. These four meetings were attended by Commission Members, Gazprom, representatives from the administrations, public organisations, businesses, environmental organisations and the General Public (including residents from Local Communities and tourists).

South Stream Transport was established in October 2011 and became the proponent of the South Stream Offshore Pipeline⁸. South Stream Transport met with the Krasnodar Krai Administration, ART Municipal District Administration, Gai Kodzor Rural District Administration and Supsekh Rural District Administration in June and August 2012 to present further information about the Project and discuss how these authorities wished to engage with the Project and with the EIA and ESIA processes. Feedback received at these meetings is described in Section 6.5: Stakeholder Comments and Suggestions.

³ Prepared by DIEM on behalf of Giprospeftgaz.

⁴ In newspaper *Rossiyskaya Gazeta*, April 16th 2010.

⁵ In newspaper *Kubanskiye Novosti*, April 17th 2010.

⁶ In newspapers *Priboy* April 17th 2010, and *Anapskoye rye* April 17th 2010.

⁷ During their review, SEER took into account the findings of the Federal Fisheries Agency No. 4272-VB/U02 dated 19 July 2010 on approval of "Feasibility Study for the Offshore Section of Gas Pipeline 'South Stream', and a letter of ART Municipal District Administration No.103/206-156 dated 27 May 2010.

⁸ South Stream Transport A.G. (SSTAG) was established in Switzerland in October 2011, and was the project proponent prior to the establishment of South Stream Transport B.V. in the Netherlands in November 2012.

6.4.2 Phase 2: Development Phase

6.4.2.1 Overview

At the time of writing, the Project is currently in the Development Phase, which includes both the development of engineering and design, as well as the ESIA and related studies. The Development Phase is an important period of stakeholder engagement as it provides an initial introduction with many stakeholders, and can provide valuable feedback to inform Project design, baseline studies, impact assessment, and mitigation and management planning. Stakeholder engagement during this Phase aims to:

- Source and validate relevant environmental, socio-economic and cultural heritage data;
- Further understand the views and concerns of stakeholders about the Project, its impacts and possible mitigation, management and monitoring measures; and
- Discuss the outcomes of the EIA and ESIA processes, including anticipated impacts and their significance, and mitigation and management measures.

In terms of stakeholder engagement, the Development Phase includes three main activities:

- The **Scoping** process included separate periods of disclosure and consultation related to the Terms of Reference (as the basis for the national EIA Report) and the Scoping Report (as the basis for the ESIA Report). These activities are described in Section 6.4.2.2. Other meetings held as part of the ESIA consultation meetings are presented in Section 6.4.2.3 and engagement with the media is summarised in Section 6.4.2.4;
- The **EIA Report** process included disclosure and consultation related to the draft EIA Report. These activities are described in Section 6.4.2.5; and
- The **ESIA Report** process includes disclosure and consultation related to this Report, in accordance with the standards and guidelines for financing. Planned activities are described in Section 6.4.2.6.

Additional stakeholder engagement activities related to the baseline data collection are described in Section 6.4.2.3.

6.4.2.2 Completed Activities – Scoping Process

During the scoping process, South Stream Transport sought to provide stakeholders with clear information about the Project and its potential impacts and to allow them to provide feedback on the scope of, and approach to, the EIA and ESIA, including the key issues to be addressed as part of both processes. Stakeholders also had an opportunity to give their views about plans for future engagement activities, including any preferences for methods, materials and schedule. The engagement process during the Development Phase also served to source and validate relevant environmental, socio-economic and cultural heritage data and to understand the views and concerns of stakeholders about the Project, its impacts and possible mitigation, management and monitoring measures. Feedback from these activities informed the EIA and ESIA process and Project design.

Consultation on the Terms of Reference for the EIA Report

Based on the outcomes of the Preliminary EIA (completed by Gazprom as the previous proponent), South Stream Transport prepared a Draft ToR for the national Proekt EIA; this document outlined the proposed scope and content of the forthcoming EIA Report. An announcement marking the start of the disclosure and consultation period was published in national⁹, regional¹⁰ and local¹¹ newspapers on 31 July 2012. This 30-day consultation period ran from 1 to 31 August 2012, during which time stakeholders had the opportunity to read and comment on the Draft ToR document.

Printed and bound copies of the Draft ToR document, along with brochures describing the Project and the ESIA process, were made available in the following locations:

- Community Centre in Varvarovka;
- Community Centre in Gai Kodzor; and
- Department of Architecture and Town Planning in Anapa.

Comment forms and comment boxes were provided for stakeholders to submit their comments; comment boxes were securely locked so that only South Stream Transport staff could access the comments. Stakeholders were also able to access the Draft ToR on the South Stream Transport website and submit comments by post, email, or by telephone.

Comments received during this consultation period were considered in the development of the EIA Report, and where relevant also informed the development of the ESIA process (including Scoping Report and ESIA Report).

Disclosure of the Scoping Report for the ESIA

The Scoping Report, including a Non-Technical Summary (NTS), was disclosed on 22 November 2013 and the consultation period ran until 28 January 2013. To ensure the Scoping Report was accessible to all stakeholder groups, efforts were made to disclose information in a variety of ways. All stakeholders had the opportunity to submit comments on the Scoping Report and to attend meetings to discuss the Project and the Scoping Report. Disclosure of the Scoping Report included:

- Publication of the Scoping Report and NTS on the South Stream Transport website¹² on 22 November 2013 along with a Press Release¹³ explaining the Project and Report disclosure;

⁹ In newspaper *Rossiiskaya Gazeta*, 31st July 2012.

¹⁰ In newspaper *Kubanskije Novosti*, 31st July 2012.

¹¹ In newspaper *Anapskoye Chernomorye*, 31st July 2012.

¹² South Stream Transport B.V. was established on 14 November 2012 and became the new proponent of the South Stream Offshore Pipeline.

¹³ South Stream Transport Press Release for Russian Sector Scoping Report (22 November 2012) available from: <http://www.south-stream-offshore.com/news/press-releases/south-stream-transport-publishes-scoping-report-in-russia-17/>.

- Direct distribution of printed and bound copies of Scoping Report and NTS to identified stakeholders by hand, post and email (See Table 6.2);
- Installation of 'comment boxes' in Community Centre in Varvarovka (Figure 6.3); the Community Centre in Gai Kodzor; and the Department of Architecture and Town Planning in Anapa on 20 November 2012 until 28 January 2013 where the public were invited to review a printed copy of the Scoping Report and NTS and submit comments by using the secure box;
- Publication of a Public Announcement in local newspaper Anapskoe Chernomorye on 8 December 2012 including details of the Project, the Scoping Report and planned community meetings (Figure 6.4), as well as the locations of the comment boxes and printed copies of the Scoping Report and NTS; and
- Posters announcing the three open-house style community meetings in the Local Communities and were displayed in public spaces including local shops, offices, bus stops, on information boards and in other community locations from 29 November 2012 until the meetings were concluded.

Information was also hand-delivered to school representatives, representatives of health care facilities, local NGOs, entrepreneurs, shop owners, cafes/restaurants, representatives of religious institutions and representatives of community centres.

Figure 6.3 Comment Box in Varvarovka



The disclosure activities related to the Scoping Report are summarised in Table 6.2 below. All documents were disclosed in Russian, and the website included both Russian and English versions.

Table 6.2 Disclosure of Scoping Report (including NTS)

Stakeholder Group†	Means of Disclosure
All stakeholders and members of the public with internet access	South Stream Transport website (www.south-stream-offshore.com/ru)
Local Communities	Printed and bound copies made available in the Local Communities* together with comment forms and comment boxes
Local businesses, marine area users	Printed and/or digital copies posted, emailed or hand-delivered
Local, regional and national NGOs	Printed and/or digital copies posted, emailed or hand delivered
Local government	Printed copies hand-delivered

† Engagement with the media at the time of the disclosure of the Scoping Report is covered in Section 6.4.2.3.

*Copies of the Scoping Report made available in the Varvarovka Community Centre, the Gai Kodzor Community Centre and the Department of Architecture and Town Planning, town of Anapa.

Scoping Consultation Meetings

In association with the disclosure of the Scoping Report and consultation with the competent authorities (described above), additional scoping consultation meetings were held in December 2012. Meetings included roundtable meetings with specific stakeholder groups, and open-house community meetings in Varvarovka, Gai Kodzor, and Supsekh for anyone interested in the Project. These meetings are summarised in Table 6.3 and the locations of the scoping consultation meetings are shown in Figure 6.5.

The open-house style community meetings were held in the communities that are closest to the Project Area, where interest in the Project was also highest. Initial plans included two community meetings: in Varvarovka (including representatives from Supsekh and Sukko, which are part of the same rural district) and in Gai Kodzor, which is part of a different rural district. However, after discussion with local representatives it was decided that holding a separate meeting in Supsekh would be more appropriate for Supsekh residents; as such, South Stream Transport arranged for a third community meeting, in Supsekh. In order to ensure the open-house community meetings were accessible and locally relevant, these events were held in community centres in Varvarovka and Gai Kodzor, and at a school in Supsekh. The roundtable meetings were held in centrally located hotel conference rooms in Moscow and Anapa.

Table 6.3 Scoping Consultation Meetings

Meeting	Stakeholders invited	Date	Location
1. Roundtable Meeting	Marine users and local businesses	10 December 2012	Hotel Grand Valentina, Anapa
2. Community Meeting	Supsekh community representatives and general public	10 December 2012	Supsekh, School No. 11
3. Community Meeting	Varvarovka and Sukko community representatives and general public	11 December 2012	Varvarovka, Community Centre
4. Community Meeting	Gai Kodzor community representatives and general public	12 December 2012	Gai Kodzor, Community Centre
5. Roundtable Meeting	Local and regional NGOs	13 December 2012	Hotel Grand Valentina, Anapa
6. Roundtable Meeting	National NGOs	14 December 2012	Novotel Novoslobodskaya, Moscow

Invitation letters were sent to stakeholders in advance of the meetings, accompanied by the Scoping Report and NTS, by email, post and by hand. The community meetings were also advertised in the local press in early December 2012¹⁴. In addition, posters advertising each of the three community meetings were displayed in the Local Communities between 29 November and 10 December 2012.

More than 100 people attended the three meetings that were held in the Local Communities. The community meetings were open to all members of the public and were held in the early evening (after the end of the working day) so as to maximise the opportunities for both working and non-working people to participate. For the roundtable meetings, local, regional and national NGOs were invited to meetings to discuss the Project and the Scoping Report. Local and regional NGOs were invited to a meeting in the town of Anapa, while national NGOs were invited to a meeting in Moscow. All organisations invited were given the opportunity to present their views in writing if they preferred¹⁵. A meeting was also planned in Anapa with marine space users and local businesses. Six organisations that are marine space users and four local

¹⁴ In newspaper *Anapskoye Chernomorye* on 8 December 2012.

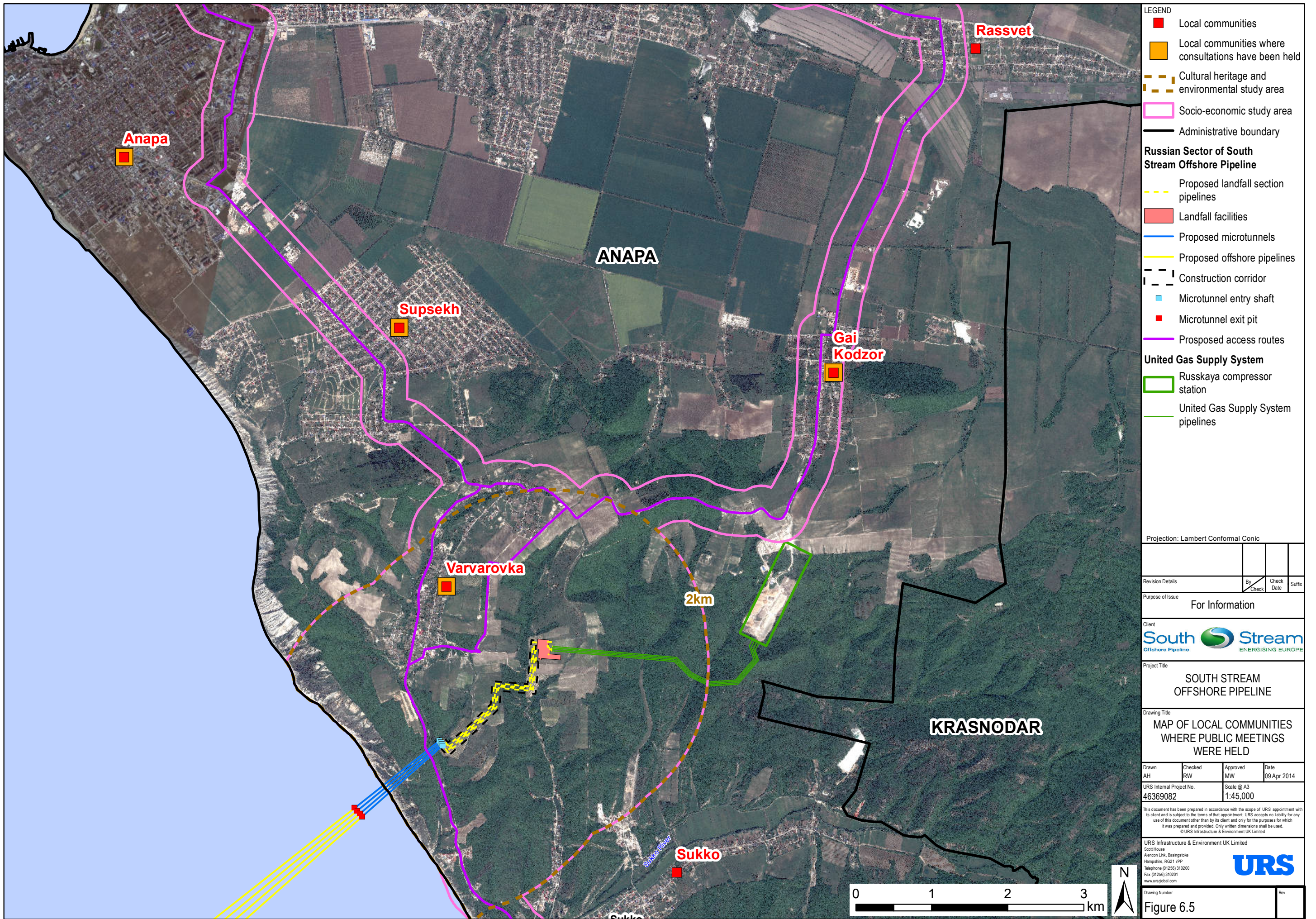
¹⁵ Written feedback was received from a number of Russian NGOs in February 2013.

businesses confirmed their interest in these meetings but no representatives of these groups attended.

The community and roundtable meetings, which took place approximately three weeks after the Scoping Report was disclosed, were organised to facilitate the exchange of information and opinions. At the meetings, representatives of South Stream Transport presented information about the Project, the Scoping Report and the ESIA process. As shown in Figure 6.6, meeting participants were invited to provide comments and suggestions, both in the meeting itself and afterwards; written comments could be submitted at the meeting, or by post or email. Participants also had the opportunity to speak individually with representatives of South Stream Transport after the question and answer sessions were finished.

Visual and printed materials were made available to support the presentations and discussion, including additional copies of the Scoping Report and the NTS, as well as leaflets describing the Project and the ESIA process. Figure 6.6 illustrates the general presentation format of the meetings for both the community and roundtable meetings. The meetings were conducted in Russian, with translation between Russian and English as necessary.

Details of all discussions were documented by South Stream Transport so that they could inform the ESIA and on-going Project planning and design. The issues raised in these discussions are described in Section 6.5.2.2 and Table A6.1.2 shows how they have been considered as part of the ESIA process.



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Figure 6.6 Consultation Meetings in Supsekh (left) and Varvarovka (right)



Since the disclosure of the Scoping Report, Rassvet has also been defined as a Local Community (section 6.3.2) due to confirmation of the construction traffic access route which will pass through Rassvet (see **Chapter 15 Community Health, Safety and Security**). Although specific engagement was not undertaken in the community of Rassvet for the Scoping Report disclosure and consultation meetings, it will occur for consultation activities associated with the disclosure of the ESIA Report (refer to Section 6.4.2.4 for planned activities).

6.4.2.3 Completed Activities – Other Meetings

In addition to the scoping consultation meetings, meetings have also been held with other stakeholders to engage them with the Project in relation to their activities, provide updates on the Project, discuss technical issues and gather baseline data and information to input into the EIA and ESIA reports. These meetings, which generated comments and feedback of relevance to this ESIA Report, included:

1. Meetings with Krasnodar Krai Regional Administration, ART Municipal District Administration, Supsekh Rural District Administration and Gai Kodzor Rural District Administration, in 2012 and 2013;
2. Meetings with fishing organisations in April and October 2013, and with the development company Fond Yug, the Kavkaz Winery and the Shingari Holiday Complex in October 2013. Meetings were also held with a horse riding company in Varvarovka and an environmental specialist in Anapa; and
3. Meetings with ART Municipal District Administration, Supsekh Rural District Administration and Gai Kodzor Rural District Administration, and Rassvet School, in February 2014.

The purpose of the meetings with the regional and district administrations was primarily to engage and discuss with them the Project and their involvement in the EIA and ESIA processes, and gather information and data where necessary. Representatives of the administrations in the Anapa area were also invited to comment on key EIA and ESIA documents (i.e. ToR, SR and EIA) and given the opportunity to meet with representatives of South Stream Transport to discuss these documents, as well as to attend the community meetings. Comments raised during these meetings are included in Section 6.5.2.1 and Table A6.1.2 in Appendix 6.2.

The purpose of the meetings with the other stakeholders was to discuss the Project and how it relates to their activities, and to gather socio-economic data and information for the EIA and ESIA reports. Comments raised during these meetings are included in Section 6.5.2.3 and Table A6.1.2 of Appendix 6.2.

6.4.2.4 Engagement with Media

The Russian media have been engaged with the Project at key milestones in the ESIA stakeholder engagement process including:

- Distribution of press releases around major milestones including, but not limited to, the disclosure of reports;
- Newspaper advertisements used to communicate with stakeholders disclosure of reports and information about ESIA stakeholder meetings;
- Press events organised around the disclosure of the Scoping and Draft EIA Reports to provide information to journalists and media stakeholders to give them an opportunity to engage with representatives from South Stream Transport and ask questions; and
- Attendance at the EIA Public Hearing.

6.4.2.5 Completed Activities – National EIA Report

Under the national EIA process, the Draft EIA Report was disclosed for comment on 29 April 2013. An announcement marking the start of the Draft EIA disclosure and consultation period was published in national¹⁶, regional¹⁷ and local¹⁸ newspapers in April 2013.

Printed and bound copies of the Draft EIA Report were made available in the same locations as for the Scoping Report:

- Community Centre in Varvarovka;
- Community Centre in Gai Kodzor; and
- Department of Architecture and Town Planning in the town of Anapa.

Comment stations (including comment forms and secure comment boxes) were provided where stakeholders could review the report and submit their comments. Stakeholders were also able to submit comments by post, by email or by telephone.

A Public Hearing was held on 31 May 2013, in the town of Anapa; the details were announced in the local media. At the hearing, representatives of South Stream Transport presented information about the Project, the Draft EIA Report and the EIA process. Participants were invited to provide comments and suggestions. Participants also had the opportunity to speak individually with representatives of South Stream Transport after the question and answer

¹⁶ In the newspaper Rossiiskaya Gazeta, 25th April 2013.

¹⁷ In the newspaper Kubanskiye Novosti, 27th April 2013.

¹⁸ In newspaper *Anapskoye Chernomorye*, 27th April 2013.

sessions were finished. Visual materials were made available to support the presentations and discussion. The hearing was conducted in Russian, with translation between Russian and English as necessary.

An official record of the hearing was prepared by the ART Municipal District and signed by the presenting team and the ART administration representatives. This record included the comments received via the secure comment boxes. The main issues raised are included in the comment summary in Section 6.5.2.2 and Table A6.1.2 in Appendix 6.2.

6.4.2.6 Planned Activities – ESIA Disclosure and Consultation

The consultation programme for this draft ESIA Report has considered the combined outcomes of both EIA and ESIA engagement activities to date. The objectives of the draft ESIA Report engagement programme are presented below, whilst the SEP contains more detailed information on the engagement programme. The SEP is available on the South Stream website, and copies will also be made available during the ESIA disclosure period.

The focus of further engagement activities during the ESIA process is to ensure that Local Communities and other key stakeholders are provided with the opportunity to:

- Access clear and appropriate (i.e. non-technical, local language) information on the Project and its potential impacts;
- Provide feedback on the content of the ESIA including the assessment of impacts, and the proposed mitigation, management and monitoring measures; and
- Provide input regarding plans for future engagement activities, including preferences for methods, materials and schedule.

Whereas the legal provisions for public consultation and disclosure for the national EIA process end with Public Hearings on the Draft EIA, for the international ESIA process, engagement goes beyond ESIA disclosure and consultation and continues during the Construction and Pre-Commissioning, Operational and Decommissioning phases of the Project. This reflects the recognition that relationships with stakeholders are on-going throughout the life of a project and on-going engagement will ensure that stakeholders are consulted about activities that may affect them at any stage of a project.

This draft ESIA Report has been publicly disclosed along with a non-technical summary of the Report. These documents are available online at <http://www.south-stream-offshore.com>, along with information about upcoming stakeholder engagement activities and the ways in which stakeholders can provide comments on the Project and the ESIA. Announcements have been made through local and national media. Documents and announcements have also been provided directly to the key stakeholders identified to date and are available in the office of the Project Community Liaison Officer.

Alternatively, interested stakeholders can contact South Stream Transport (Table 6.5), either via the Project's Information Centre in Krasnodar or via the Amsterdam Head Office, to request a copy of the ESIA Report, non-technical summary, or other information. Stakeholders can also provide questions and comments via these communication channels.

Table 6.4 Contact Information

South Stream Transport B.V. - Krasnodar Branch	In Person or by Post: Komsomolskaya 15, 350000 Krasnodar, Russia Email: office.krasnodar@south-stream-transport.com
South Stream Transport B.V. - Amsterdam Head Office	Email: esia@south-stream-transport.com Website: www.south-stream-offshore.com Phone: +31 (20) 262 4500 Fax: +31(20)524 1237 Post: Parnassusweg 809, 1082 LZ, Amsterdam, Netherlands

Stakeholders have the opportunity to comment in writing and to attend community meetings to discuss the Project, the draft ESIA Report and related documentation. The community meetings will allow stakeholders to express their views and ideas about the Project and the ESIA to representatives of South Stream Transport and the ESIA consultants, as well as to provide additional information or suggestions to assist the ESIA process and Project planning. Roundtable meetings with groups of related stakeholders are also planned; additional meetings with specific stakeholders may also be organised, as appropriate.

Comments received on the draft ESIA Report will be taken into consideration in the preparation of the final ESIA Report. The final ESIA Report will be disclosed on the South Stream Transport website and will inform later phases of the Project.

6.4.3 Construction and Pre-Commissioning, Operational, and Decommissioning Phases

Stakeholder engagement will continue over the life of the Project throughout the Construction and Pre-commissioning, Operational and Decommissioning Phases. With an operational life of 50 years, South Stream Transport is committed to maintaining relationships and communications with stakeholders over this time.

During the Construction and Pre-Commissioning Phase, and in subsequent phases, the emphasis of engagement shifts to focus on consultation and disclosure about activities that are on-going or about to take place, and receiving feedback from stakeholders about on-going activities.

Engagement activities will include published announcements and updates about the progress of the Project. The Grievance Procedure will also be a key element of the Construction and Pre-Commissioning Phase and later phases of the Project. Plans for on-going stakeholder engagement are described in more detail in the SEP, which will be updated as the Project progresses. Engagement activities will be adjusted to reflect evolving stakeholder preferences and concerns over the life of the Project.

6.5 Stakeholder Comments and Suggestions

6.5.1 Overview

This section summarises the general comments and suggestions received from stakeholders during the EIA and ESIA consultation processes to date, how these comments have been considered and responded to in this ESIA Report and, in some instances, how the response from the Project has been communicated to stakeholders in advance of the ESIA Report disclosure process. The feedback received has been divided into that from:

1. National, regional and local authorities i.e. Russian national, regional and local government, primarily gathered during meetings related to the EIA process (summarised in Section 6.5.2); and
2. The public and other non-governmental stakeholders (e.g. residents of Local Communities, fisheries and marine area users, NGOs, Inter-governmental organisations, fisheries unions and cooperatives, academic and scientific organisations) engaged primarily through the ESIA process (summarised in Section 6.5.3).

The following sections present summaries of how stakeholder feedback has been considered and responded to by the Project, through the EIA and ESIA processes. As the EIA and ESIA processes have run in parallel, the disclosure of the EIA documentation, and the EIA public hearing, has served to detail the Project response to some of the issues raised by stakeholders during the scoping consultations. Similarly the feedback from stakeholders on the EIA documentation has further informed the ESIA. A full list of the comments received is provided in Appendix 6.1 of this chapter. A list of all stakeholder engagement activities to date is provided in Appendix 6.2.

6.5.2 National, Regional and Local Authorities

During the Development Phase and since June 2012, a number of meetings¹⁹ were held with the regional, municipal and rural district authorities across the Local Communities of the Town of Anapa, Supsekh, Varvarovka, Sukko, Gai Kodzor and Rassvet, to discuss the Project and gather feedback and information from the Local Communities, for data collection and to discuss key issues and potential impacts of the Project.

Table 6.5 summarises the main comments and issues raised by authorities and related stakeholders during the Project's Scoping Stage engagement activities, and provides a description of how South Stream Transport has considered and responded²⁰ to these comments through the EIA and ESIA processes.

¹⁹ Only meetings of relevance to the ESIA process included in this chapter.

²⁰ Note that the responses provided are intended to be technically correct at the time of writing. Due to the evolution of Project planning, design and schedule, this may not be the same as the response that was provided at the time the question or concern was raised

Table 6.5 Comments Received from National, Regional and Local Authorities

Comments	Consideration and Response
<i>Traffic</i>	
<p>Questions were raised about potential impacts to the quality of existing local roads, especially around Gai Kodzor and as a result of the Russkaya Compressor Station.</p>	<p>A bypass road was constructed to the east and south of Gai Kodzor in early 2013 by Gazprom Invest for vehicles traveling to the site of the Russkaya Compressor Station from the M25. To avoid damage to the main road and impacts on the community in Gai Kodzor, construction traffic related to the Project will also be diverted around Gai Kodzor using this bypass road. Existing damage to the road through Gai Kodzor was repaired in early 2013. Subsequent engagement with the Gai Kodzor local administration (early 2014) has confirmed that the traffic and road quality issues in Gai Kodzor were resolved with the construction of the bypass road and the completion of the repairs.</p> <p>The town of Rassvet has subsequently also been identified as one that will be impacted by Project construction traffic. Site visits and specific consultation with the local authority were undertaken in relation to this issue in early 2014 and mitigation measures proposed (see Chapter 15 Community Health, Safety and Security and Appendix 20.1 Environmental and Social Impacts of Associated Facilities: Russkaya Compressor Station).</p> <p>In addition, the Project has committed to the construction of a bypass road to divert traffic from the centre of Varvarovka thereby avoiding the main traffic related impacts during construction.</p>
<i>Gazprom and Gas Supply</i>	
<p>Will local communities benefit from the new Project gas supply?</p>	<p>South Stream Transport is a gas transport rather than a gas delivery company and is not involved in the provision of gas to the local population. At the Scoping meetings where this issue was raised, the representatives of South Stream Transport stated that although the supply of gas to local communities is outside the scope of the Project, the questions from the community would be passed to Gazprom.</p> <p>South Stream Transport met with representatives of Gazprom in May 2013 and discussed the issue of gas supply. Gazprom stated that a co-operation agreement was approved by the Governor of the Krasnodar Region and the Chairman of the Management Committee of Gazprom that covered gas supply and gasification of the south-western area of the Krasnodar Krai, including the Anapa region.</p>

Continued...

Comments	Consideration and Response
<i>Community Development</i>	
Will the Project be making any financial contributions to development in the rural districts?	South Stream Transport has a Community Investment Programme. This will guide the company's activities in the Local Communities beyond the direct scope of the Project, and may include support for local development initiatives. Through the Community Investment Programme, South Stream Transport will work with local stakeholders to identify suitable community investment opportunities.
<i>Noise and Vibration</i>	
Questions related to Project-generated noise and how it will be managed.	South Stream Transport conducted a noise impact assessment for the construction and operation of the Project. Due to design changes (the construction of a bypass road to divert construction traffic from the centre of the community of Varvarovka) and the use of the compressors during the pre-commissioning activities, the noise assessment was revised in early 2014 and found that there will be moderate level, short term and temporary noise impacts in some areas of Varvarovka during construction. The mitigation, management and monitoring of noise impacts is detailed in Chapter 10 Noise and Vibration and in Chapter 15 Community Health, Safety and Security .
<i>Health and Safety</i>	
Questions related to safety, particularly in the event of a gas explosion.	<p>The Project has developed specific design criteria which comply with Russian legislation and European and international pipeline industry standards to minimise the risk associated with gas leakages (and subsequent fires and explosions) and therefore protect members of the public in surrounding areas, the operational workforce and the environment. Information on the Project design and safety issues was contained in the draft EIA Report disclosed for public comment in the second quarter of 2013.</p> <p>The risk of a gas leak or explosion is very small. In any event, the Project will include the preparation of emergency response plans to ensure that emergency response procedures are implemented and understood. Further information can be found in Chapter 19 Unplanned Events and Chapter 22 Environmental and Social Management.</p>

Complete...

6.5.3 Public and Other Non-Governmental Stakeholders

This section summarises the feedback received from the public and other stakeholders (including NGOs, local business, administrations, marine area users, etc.) during the:

1. EIA Terms of Reference disclosure and consultation period;
2. Scoping Report disclosure and consultation period, including community meetings and roundtable meetings;
3. EIA Report disclosure and consultation period, including the EIA Public Hearing; and
4. Meetings and other communications with stakeholders outside of official consultation periods, including data collection meetings.

Feedback from the public and other stakeholders during the Scoping Report disclosure and consultation period was received through a series of scoping consultation meetings (including roundtable and community meetings) and in writing. Feedback received during the EIA Report disclosure and consultation period has also been considered by South Stream Transport in this ESIA Report.

Stakeholders had the opportunity to provide comments and suggestions outside of these formal periods, including at meetings with South Stream Transport, or by contacting South Stream Transport or its consultants by telephone, email or post or in person. The Project organised various meetings with stakeholders (referred to in Section 6.4.2.2) to ensure they were engaged with the Project and to gather baseline data and information, to input into the EIA and ESIA reports.

The most common topics raised included the following:

- Questions regarding Gazprom and gas supply to the Local Communities;
- Potential impact of the Project on the terrestrial environment (including the coastline and onshore valuable habitat areas) and the marine environment (including marine ecology and any restrictions to fishing and shipping activities) and questions raised regarding mitigation measures implemented by the Project to manage impacts;
- Questions about safety of the Project, including potential emergency situations and emergency response measures;
- Questions about how the Local Communities will benefit from the Project and how the Project will manage potential impacts on the coastline and the tourism industry;
- Questions about how the Project is engaging with its stakeholders to ensure public opinion is considered;
- Potential impact of increased project-related traffic on the existing road network and Local Communities in relation to noise and vibration;
- Questions about the routing of the Pipeline and whether alternative options were considered; and
- Questions about the EIA and ESIA processes.

This stakeholder feedback is summarised in Table 6.6, which contains a summary of the main comments, issues and questions raised by stakeholders and how these have been considered and responded to by the Project.

Table 6.6 Summary of Public and Other Stakeholder Comments

Comments	Consideration and Response
<i>Gazprom, Gas Supply and Russkaya Compressor Station</i>	
Gas supply for local communities such as Varvarovka and Sukko.	<p>South Stream Transport is a gas transport rather than a gas delivery company and is not involved in the provision of gas to the local population. At the Scoping meetings where this issue was raised, the representatives of South Stream Transport stated that although the supply of gas to local communities is outside the scope of the Project, the questions from the community would be passed to Gazprom.</p> <p>South Stream Transport met with representatives of Gazprom in May 2013 and discussed the issue of gas supply. Gazprom stated that a co-operation agreement was approved by the Governor of the Krasnodar Region and the Chairman of the Management Committee of Gazprom that covered gas supply and gasification of the south-western area of the Krasnodar Krai, including the Anapa region.</p>
Issues related to the construction of the Russkaya compressor station, including: protection of the environment and restoration of the landscape to its original state following Project activities, and concerns about noise, traffic and road quality.	<p>The Russkaya Compressor Station is not part of the Project, and will be designed and installed as part of a separate project known as "Expansion of the UGS (United Gas Supply System) to provide gas to South Stream Pipeline" which is being constructed by Gazprom Invest. However, the potential for cumulative effects of the Project with the Russkaya Compressor Station has been assessed in Chapter 20 Cumulative Impact Assessment and details of the impacts of the Russkaya CS as outlined in the EIA for the development can be found in Appendix 20.1 Environmental Impacts of Associated Facilities: Russkaya Compressor Station.</p> <p>South Stream Transport is engaging with Gazprom Invest with the aim of aligning Gazprom Invest's ecological mitigation strategy and mitigation measures as related to the Russkaya CS development with those of the Project. Of particular importance is the avoidance of impacts through the sensitive timings of works (including the herpetiles hibernation period), implementation of herpetile fencing and a programme of translocation, and adherence to good industry practice as well as to develop measures that would enhance biodiversity management within the wider area. In addition, South Stream Transport is liaising with Gazprom Invest with the aim of developing aligned and coordinated traffic management plans. Discussions are on-going at the time of writing.</p>

Continued...

Comments	Consideration and Response
<i>Environmental Protection (Onshore)</i>	
<p>Potential adverse impacts on the natural environment, including the marine environment, the coastline, onshore valuable habitat areas (e.g. the mountain area of the Kilberov Canyon, Sukko Beach), juniper trees and local wildlife.</p>	<p>Potential impacts on habitats and ecology have been assessed in Chapter 11 Terrestrial Ecology and Chapter 12 Marine Ecology. These chapters have considered potential impacts on a range of ecology receptors, including designated sites, natural habitats and protected species of plants and animals. The key impacts relate to habitat loss and fragmentation, severance, habitat degradation, direct mortality and injury to species. These chapters also describe the mitigation, management and monitoring measures that will be implemented in order to avoid and/or minimise these impacts.</p> <p>The landfall section of the Project contains a short section that runs through some areas that serve as a habitat for the protected Nikolski's Tortoise and for protected Juniper along with some other protected species of flora and fauna. The Project will implement special mitigation measures to protect these species during construction of the Project, including the relocation of these species from the construction site to alternative areas.</p> <p>The relocation of Juniperus trees took place in April 2014 with trees being relocated from Varvarovka to Anapa. The relocation process was supervised by Rosprirodnadzor from the Ministry of Natural Resources and Environment to ensure the process complied with the legal permit conditions. In addition, the Project has committed to further reinstate parts of the sea cliff near Varvarovka that were impacted by geotechnical surveys during the Feasibility Phase, including replanting of juniper trees (see Chapter 11 Terrestrial Ecology and Appendix 11.2 Outline Cliff Reinstatement Plan of this ESIA Report).</p> <p>Before the start of construction activities, South Stream Transport will safely move the tortoises to suitable areas nearby, in accordance with the relevant legislation and when the tortoises are not hibernating. The construction area will also be fenced and tunnels will be installed, to avoid entry of the tortoises into the construction site.</p>

Continued...

Comments	Consideration and Response
<p>The Project should follow the relevant environmental protection laws and propose appropriate mitigation measures.</p>	<p>In addition to the relevant Russian laws and regulations, the Project is following the standards and guidelines of financing organisations (see Chapter 2 Policy, Regulatory and Administrative Framework). The relevant national laws and regulations in relation to the environment were addressed in the EIA for the Project which was disclosed in the second quarter of 2013 (see Section 6.4.2.4). Members of the public were able to attend the open public hearing on the EIA held in the town of Anapa and to ask questions and make comments on the EIA process and content, including proposed mitigation measures. The EIA was approved by the Russian authorities in late 2013 and early 2014. A newspaper announcement was published in the local press in May 2014 in order to inform stakeholders that the regulatory process had been followed and completed in relation to the EIA.</p> <p>In addition, for each topic in the ESIA, where impacts have been identified, mitigation measures have been proposed and these are detailed under each topic chapter of this ESIA Report which will be publicly disclosed in mid-2014. Some of the proposed mitigation measures have been discussed directly with relevant stakeholders (for example the Utrish Nature Reserve and the Moscow Academy of Sciences), such as the relocation of protected species.</p>
<p>Controls should be put in place to minimise harmful impacts e.g. minimising Project generated waste and other discharges to the environment.</p>	<p>An assessment of waste-related impacts and management measures is provided in Chapter 18 Waste Management. Project staff have visited potential waste disposal facilities and discussed the issue of waste management with the local Anapa administration during 2013, in advance of agreeing the final facilities with the construction contractor.</p> <p>An Environmental and Social Management Plan will include measures to minimise waste production and encourage re-use and recycling of materials where possible. The Project will use only existing licensed facilities for waste disposal and all vessel discharges and waste will be compliant with Marine Pollution (MARPOL) Convention, Bucharest Convention and national regulations.</p>
<p>The Project should not impact on ecosystems or disturb the ecological balance.</p>	<p>An assessment of the Project's impact on ecosystems has been undertaken to identify likely impacts and measures to reduce the impact or mitigate against any adverse impacts. Potential ecological impacts and management measures are described in Chapter 11 Terrestrial Ecology and Chapter 12 Marine Ecology. Additionally, potential impacts (and mitigation) related to potential impacts on the value, function and services of ecosystems on which local communities and/or the Project depend, are described in Chapter 17 Ecosystems Services.</p>

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Comments	Consideration and Response
How will the landscape be rehabilitated and restored to its original state after the Project activities?	<p>A Landscape Restoration Plan will be prepared to ensure land is restored with native, original species that will need to be removed to allow construction of the Project. This Plan is based on the outcomes of the assessment in Chapter 13 Landscape and Visual.</p> <p>In addition, the Project has committed to further reinstate parts of the sea cliff near Varvarovka that were impacted by geotechnical surveys during the Feasibility Phase, including replanting of juniper trees (see Chapter 11 Terrestrial Ecology and Appendix 11.2 Outline Cliff Reinstatement Plan of this ESIA Report).</p>

Health and Safety

Questions on potential emergency situations and emergency response measures, and whether the Project will record any Project-related accidents and comply with relevant safety measures.	<p>The Project will comply with all national and international health and safety requirements, including requirements for documentation of accidents and incidents. Community and occupational health and safety is discussed in Chapter 15 Community Health, Safety and Security and Appendix 15.1 Occupational Health and Safety.</p> <p>Emergency Response Plans (ERPs) will be prepared to ensure that emergency response procedures are implemented and understood. Further information, including risks and management measures, can be found in Chapter 19 Unplanned Events and Chapter 22 Environmental and Social Management.</p> <p>At the Russian landfall facilities, Emergency Shutdown (ESD) valves and safety systems will be installed for each pipeline, which will automatically detect any non-standard operating conditions and stop the flow of gas immediately.</p>
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Comments	Consideration and Response
<p>Concerns related to seismic activity such as earthquakes, which could cause changes to soil and seabed and/or impact the Pipeline.</p>	<p>Seismic studies have been undertaken to ensure the Project design is suitable to the ground conditions and is not affected by any potential seismic activities. In order to minimise the effect of potential displacement from seismic activity, each pipeline will be laid in an enlarged trench. In certain sections, the pipelines will be laid on a bed of sand and backfilled with loose sand rather than the previously excavated soils. The combination of the wider trench and backfilling with loose sand allows the pipelines to move in a lateral direction should there be any movement by the fault, thereby lowering the risk of damage to pipeline integrity.</p> <p>Seismic activity and potential risks related to the Project are described in Chapter 7 Physical and Geophysical Environment. The information on the seismic studies and the design of the Project design to ensure safety was communicated to stakeholders during the Scoping meetings in December 2012 and safety and design issues were included in the EIA Report which was publicly disclosed in the second quarter of 2013.</p>

Socio-Economic

<p>How will local communities benefit from the Project?</p> <p>Questions about job creation, local hiring, and procedures for advertising available positions.</p>	<p>Project expenditures will result in demand for local goods and services (particularly during construction). In addition, some direct employment related to unskilled and semi-skilled positions may take place. Both procurement and employment will make a temporary and limited but beneficial contribution to the local economy.</p> <p>The majority of employment related to the construction of the Russian Sector of the South Stream Offshore Pipeline will be highly specialised and managed by the offshore construction contractor. Some, although limited, local employment opportunities may be available through the construction contractor, and South Stream Transport has requested the construction contractor to advertise suitable positions locally and will encourage the contractor to hire local residents where practicable. Further information is provided in Chapter 14 Socio-Economics.</p> <p>South Stream Transport is also developing a Community Investment Program. This will guide the company's activities in the Local Communities beyond the direct scope of the Project, and may include support for local development initiatives. Through the Community Investment Programme, South Stream Transport will work with local stakeholders to identify suitable community investment opportunities.</p>
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Comments	Consideration and Response
<p>Potential impacts on the coastline, and therefore on tourism activities.</p> <p>The potential impact on the leisure and recreation industry in Anapa Resort Town Municipal District should be assessed as part of the EIA.</p>	<p>An assessment of potential socio-economic impacts, including impacts on local beaches and tourism activities, is provided in Chapter 14 Socio-Economics. The assessment concluded that residual impacts on specific businesses and on the tourism sector from Project activities will be not significant.</p> <p>The Project met with specific stakeholders such as Shingari Holiday Complex in the second half of 2013 and with local authorities, local tourism businesses and the local community in May 2014 to discuss Project activities and potential impacts on beach users and tourists.</p>
<p>Will the Project have a negative impact on Sukko beach, which is a popular tourist destination?</p>	<p>An assessment of potential socio-economic impacts, including impacts on beaches and tourism, is provided in Chapter 14 Socio-Economics. During the construction of the Project, although no significant impacts on Sukko beach are expected, it is possible that beach users will be able to see construction vessels working in the sea for short periods of time. There may be a limited and short term (a few days at most) impact on water clarity during nearshore construction depending on the prevailing currents and wind conditions which has been assessed as having a low residual impact as part of the socio-economic assessment (see Appendix 12.2 Sediment Dispersion Study).</p>
Stakeholder Engagement	
<p>How is the Project engaging with stakeholders? Stakeholders should be consulted on the need for the Project and emergency plans.</p>	<p>South Stream Transport has carried out stakeholder engagement in accordance with national regulations and following the standards and guidelines of international financing organisations along with Good International Industry Practice. Engagement activities to date have included the disclosure of various Project documents, community meetings, roundtable meetings, public hearings, and other meetings. Stakeholder engagement activities are described in this chapter (Chapter 6 Stakeholder Engagement) and in the Stakeholder Engagement Plan (www.south-stream-offshore.com).</p>
<p>Public opinion must be considered prior to Project implementation, as well as the cooperation and involvement of the press and administrative officials.</p>	<p>South Stream Transport values feedback and opinions from all stakeholders. Anyone interested in the Project can submit comments via email, post, or in person. South Stream Transport also regularly reviews media and other articles reflecting public opinion, concerns and perceptions, and engages with local administrations on issues related to the communities and regarding updates about the Project. Chapter 6 Stakeholder Engagement describes stakeholder engagement to date, including engagement with media, local officials and communities and the public, and the comments that have been received.</p>

Continued...

Comments	Consideration and Response
<p>All feedback should be addressed and included in the EIA Report.</p>	<p>All feedback, questions and comments received from stakeholders regarding the Project has been documented in the EIA and ESIA Reports. The EIA Report contains a record of the comments submitted during the EIA Report disclosure period along with questions asked at the EIA public hearing. The ESIA Report contains a summary of the main issues raised by stakeholders during both the EIA and ESIA processes and a list of comments made by stakeholders can be found in Appendix 6.1 Comments received during the Feasibility and Development Phases.</p> <p>Feedback, questions and comments received from stakeholders regarding the Project have also been considered in the development of both the EIA and ESIA reports. The development of design controls and proposed mitigation measures has considered stakeholder feedback, for example the construction of road bypasses around the communities of Gai Kodzor and Varvarovka to reduce traffic and road safety impacts; the restriction on nearshore construction to avoid fish spawning season; the lift of the amphora from the seabed in order to prevent damage to the cultural heritage object from pipelaying activities.</p>
<p>Residents should be informed about the schedule for Project works, so that they can know when they will be taking place. This schedule should be presented and discussed at any meeting with local residents.</p>	<p>A schedule of works is included in the EIA, ESIA, and Non-Technical Summary which are disclosed to the public. Current schedules are also shared at meetings with stakeholders, including public meetings in the communities. Chapter 1 Introduction provides the schedule for the development of the Project, with additional details in Chapter 5 Project Description.</p>
<p>Environmental Protection (Marine)</p>	
<p>Potential adverse impacts on the marine environment.</p>	<p>Potential impacts on the marine environment have been assessed in Chapter 12 Marine Ecology, which has identified potential impacts related to underwater noise, dredging and other impacts. A series of mitigation and management measures are identified in this chapter, and no significant residual impacts are anticipated.</p>

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Comments	Consideration and Response
Will there be prohibited access for fishing and shipping?	<p>During construction, a marine safety exclusion zone of between 2 and 3 km radius (depending on the location of the pipe-lay spread) around the pipe-laying vessel during pipe-laying will be required to avoid interactions between the Project's activities and existing marine traffic and fishing vessels. This exclusion zone will move with the pipe-laying vessel, and will restrict access for fishing or other activities. These construction restrictions will be lifted behind the pipe-laying spread as the spread moves forward.</p> <p>Appendix 14.1 Fisheries Study examined potential impacts on fishing grounds, access, and fish stocks and concluded there will be no significant impact.</p>
Questions about potential impacts on fish migration routes and spawning areas, including impact from underwater noise.	<p>An international specialist company from the UK prepared a separate fisheries study for the Project which can be found in Appendix 14.1 Fisheries Study. Local fishing companies and government institutions, were consulted during the ESIA process to assess fishing and migratory issues. The potential interaction between the construction schedule and activities and fish migration routes and spawning areas has been considered in both the EIA and ESIA Reports. No significant impact on fish migrations, or fisheries activities, in Russian waters is expected. Impacts on fishing are assessed in Chapter 9 Socio-Economics, while impacts on fish are assessed in Chapter 12 Marine Ecology.</p> <p>In order to avoid impacts during the sensitive spawning season, coastal construction will not be undertaken in May, when spawning takes place. Regarding noise, an acoustic impact analysis showed that sound levels generated by pipe-laying and trenching in the Black Sea will not cause mortality or injury to fish. To further reduce the impact of noise on marine species, mitigation measures will be implemented, including the gradual ramping up of vessel engines to allow fish to move away from noise sources. Fish monitoring will take place during construction.</p> <p>Overall, both Chapter 12 Marine Ecology and Appendix 14.1 Fisheries Study conclude that no significant impacts on fish or fisheries are anticipated. Further to the meetings undertaken as part of the preparation of the fishing study report, Project representatives met with fishing companies again in May 2014 to communicate the results of the study in advance of the disclosure of this ESIA Report.</p>

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Comments	Consideration and Response
<i>Traffic</i>	
<p>Increased Project traffic will impact on existing road network and local communities e.g. leading to the generation of dust and concerns over pedestrian safety.</p>	<p>A traffic assessment was conducted and is provided in Appendix 9.1 Traffic and Transport Study. The assessment concluded that the presence of the temporary bypass roads around Gai Kodzor and Varvarovka (see Table 6.5) will mean that construction vehicles will no longer travel through Gai Kodzor and Varvarovka, leading to less dust, traffic noise, traffic congestion and road safety issues for local communities. South Stream Transport will ensure that vehicles are clean, well maintained and follow designated construction routes to ensure disturbance and the risk to pedestrian safety is minimised on all Project access routes.</p> <p>Meetings with the Gai Kodzor local administration in early 2014 confirmed that the traffic and road quality issues in Gai Kodzor were resolved with the construction of the bypass road and the completion of the related road repairs. The bypass road around Varvarovka will result in some noise impacts for some residents of North East Varvarovka living near the proposed bypass and mitigation measures have been proposed to address this impact (see Chapter 10 Noise and Vibration). Site visits and specific consultation with the local authority have been undertaken in early 2014 in relation to potential road impacts in the community of Rassvet and mitigation measures proposed (see Chapter 15 Community Health, Safety and Security and Appendix 20.1 Environmental Impacts of Associated Facilities: Russkaya Compressor Station).</p>
<p>Will additional roads be constructed for the Project?</p>	<p>A number of permanent and temporary (i.e. construction) roads will be constructed and used for the Project, including: the Gai Kodzor bypass road (already constructed by Gazprom Invest); the Varvarovka bypass road (which will be a permanent road but will only be used by the Project during the Construction Phase and not during the Operational Phase); a permanent access road to the landfall facilities (2.6 km constructed by Gazprom Invest and a short 200 m spur to the landfall facilities constructed by South Stream Transport); and a temporary access road from the permanent access road to provide access to the microtunnel construction site. Roads and other facilities are detailed in Chapter 5 Project Description.</p>

Continued...

Comments	Consideration and Response
<i>Project Location, Routing and Alternatives</i>	
Have other alternative options been considered? Why was Anapa selected, instead of Novorossiysk, Sochi, Gelendzhik or Temryuk?	<p>When defining the route, the technically and financially feasible alternatives were considered along with the related environmental and social characteristics and issues. This process is described in Chapter 4 Analysis of Alternatives. These studies concluded that the selected landfall location in Anapa provided the optimal solution along the Russian Black Sea coast.</p> <p>Information about Project alternatives, the selection of the landfall location, safety standards, and impacts on communities have been discussed in previous meetings, including community meetings during the Feasibility Phase, meetings related to the Scoping Report and to the draft EIA Report. Potential impacts on residents of nearby communities, and how these will be mitigated, are described in Chapter 9 Socio-Economics.</p>
<i>EIA/ESIA Processes and Reports</i>	
How is the Project managing impacts?	<p>Potential impacts from the Project have been assessed in accordance with national legislation and following the standards and guidelines of international financing organisations. In each chapter of the impact assessment, design controls and mitigation measures are identified to manage, reduce or avoid adverse impacts. These measures will be incorporated into the management plans which will be put in place to manage and monitor impacts and ensure the mitigation measures are implemented in accordance with the EIA and ESIA Reports during the Construction and Operational Phases of the Project. Further details are set out in Chapter 22 Environmental and Social Management and in each assessment chapter (chapters 7 to 18).</p>

Continued...

Comments	Consideration and Response
<p>There should be one single EIA that meets both Russian and international requirements and covers both the South Stream Offshore Pipeline and the Russkaya Compressor Station.</p> <p>Carrying out both EIA and ESIA processes in Russia complicates assessment and creates confusion, especially two stakeholder engagement processes.</p>	<p>The entire South Stream Gas Pipeline System spans over 2300 km, crossing a number of countries and different geographies to transport natural gas from Russia to the countries of Central and South-Eastern Europe. It is not unusual for a project of this size to be divided into separate elements due to the fact every country has its own regulations in which the Project must comply.</p> <p>In addition, the offshore component of the Pipeline System through the Black Sea is very different from the onshore sections in terms of technical design, engineering and construction methods, as well as with respect to the surrounding environment. As such, it made sense to evaluate the offshore section separately.</p> <p>With respect to the EIA and ESIA, these two documents are designed to meet different requirements are often different in methodologies and approach, as well as content. South Stream Transport is making efforts to ensure that stakeholders understand the differences and similarities between these two processes. All feedback received as part of both processes has been considered in the development of this ESIA Report.</p>
<p>How will information collected during the assessment process influence decision-making and the ESIA Report?</p>	<p>Baseline information has been collected through a wide range of methods including through scientific surveys, consultation with authorities, administrations and other organisations, local communities and site visits. This information is analysed and used to carry out the impact assessments. All data and feedback collected is considered in the ESIA Report, informing the understanding of the baseline, potential impacts and receptors, and the development of mitigation and management measures. This process has been explained at all public meetings related to the Project and is also explained in the introduction to other stakeholder meetings that have been held as part of the baseline data collection and stakeholder engagement for the Project.</p>
<p>Noise and Vibration</p> <p>Project generated noise and vibration, particularly during construction, could adversely affect communities e.g. Varvarovka and Sukko.</p> <p>Noise and vibration from increased traffic will impact houses causing cracks and wear.</p>	

Continued...

Comments	Consideration and Response
<i>Visual Amenity and Viewscapes</i>	
Visual impact of Project vessels in the nearshore section of the Project.	An assessment of potential visual impacts has been undertaken to include vessels up to 10 km away from the Russian shore (see Chapter 13 Landscape and Visual for more detail). There will be views of construction vessels experienced by the residents and visitors of Sukko, Anapa, and the private beach at the Shingari and Don holiday complexes. These impacts will be temporary and short-term and measures will be put in place to reduce impacts, including shielding of night time lighting on board vessels.
<i>Cultural Heritage</i>	
Cultural heritage along the Pipeline route should be protected.	A cultural heritage assessment has been undertaken (Chapter 16 Cultural Heritage) to ensure that impacts on cultural heritage objects and sites appropriately avoided or mitigated. Consultation was undertaken with a number of cultural heritage experts and organisations in 2013 to discuss potential impacts and these discussion informed the design control and mitigation measures outlined in this document. The approach to the protection of cultural heritage was also outlined in the EIA documentation which was publicly disclosed in the second quarter of 2013.

Complete.

A number of stakeholders also highlighted benefits that the Project will bring, including anticipated investment in the local area and the development of infrastructure in Sukko and Varvarovka. In addition, some stakeholders thought that the Project could generate new jobs and felt positive that the EIA and ESIA processes would ensure that the opinions and suggestions of stakeholders would be considered.

6.6 Conclusions

Comments received from stakeholders to date, whether verbally or in writing (and irrespective of whether or not the primary purpose of the meeting was to seek comments on the scope of the ESIA) have been considered and addressed, where relevant, in this ESIA Report. Comments from stakeholders have informed the baseline studies, the identification and assessment of impacts, and the definition of mitigation and management measures.

Feedback from stakeholders over the impacts of Project traffic on safety, road condition and dust in Varvarovka led South Stream Transport to investigate the potential to construct a bypass road to avoid having to send large amounts of project Heavy Goods Vehicle (HGV) traffic through Varvarovka. This investigation involved surveys and consultation with landowners. Following this survey and consultation work, a suitable bypass route was chosen that will significantly reduce the concerns of stakeholders. This example demonstrates how stakeholders have informed the ESIA processes and influenced Project design.

Stakeholders have also emphasised the need to ensure an effective, transparent and inclusive stakeholder engagement process, including regular updates about Project activities. Stakeholders have been engaged for data collection, and to validate and gain further understanding of the baseline conditions.

The Project is committed to on-going stakeholder engagement and welcomes feedback and comments from stakeholders over the life of the Project. The Stakeholder Engagement Plan will be periodically updated as the Project progresses through, and beyond, construction.

References

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